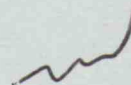


Price Waterhouse and Partners



From The Chairman, Management Committee

11 May 1988



CONFIDENTIAL

Sir Robin Butler, KCB, CVO,
Secretary of The Cabinet and
Head of the Home Civil Service,
Cabinet Office,
70 Whitehall,
LONDON SW1A 2AS

THYSSEN COLLECTION

Having reflected I see the position as follows:-

Our case is an extremely strong one and the moment of presenting our proposal is opportune.

The competition included the Getty, Bonn, Stuttgart, Spain etc. These proposals have been discarded with the exception of the short term solution with Spain.

We were told by the Chairman of the Trustees that they would not accept the present outline in the Spanish letter of intent, "they would have to start with a clean sheet".

Our proposal will be the only long term solution on the table for the Foundation and Trustee Meetings in early June and July. The Trustees can consider our proposal as securing the future of the collection in accordance with the Baron's wishes in meeting his anxiety about the long term future for his collection after his death (The Spanish proposal would not achieve this).

Having spent many hours in discussions with Baron Thyssen I am convinced that he will regard our proposal as exciting and acceptable.

I have got to know the Chairman of the Trustees rather well. He has stated categorically that he believes the British proposal would be the best possible outcome. There is a division among the family on the Spanish option and his view, which has also been expressed to him by members of the family, including Baron Thyssen, is that the British proposal could be the ideal compromise within the family.

Furthermore while the Baroness is clearly in favour of Spain she is not opposed to a British proposal as such.

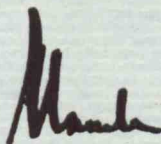
Baron Thyssen's letter to me, dated 8 May, states clearly that he welcomes the British proposal and it will receive his utmost consideration. We know that the Trustees feel the same.

The present favourable situation has been brought about as a result of establishing an intimate relationship between myself, the Baron and the Trustees. It is my opinion, and that of the Trustees, that it is essential to ultimate success that the negotiations should continue by the same method rather than by direct negotiation with Government.

I would appreciate it if this letter could be put to the meeting with the Prime Minister later this afternoon.

A great opportunity will be lost if we do not put forward our proposal.

Yours ~~sincerely~~ ,



Claude Hankes-Drielsma

ARTEFACT

SUZ BOND
46 GRESWELL STREET
LONDON SW6 6PP
TEL. 01-381 1324

NADINE STEINMANN-THOMI
FASCHENGASSE 26
CH-4059 BASEL
TEL. 061 35 25 23

On April 7th 1988, the Honourable Javier Solana Madariaga, Minister of Culture of the Government of the Kingdom of Spain and the Honourable Baron Hans Heinrich Thyssen-Bornemisza (Baron Thyssen-Bornemisza) met at the Villahermosa Palace, Madrid.

The signatories hereby declare:

- I. The Thyssen-Bornemisza Collection is a collection of paintings acquired by Baron Thyssen-Bornemisza over a number of years, by inheritance or purchase. It represents a lifetime of collecting by Baron Thyssen-Bornemisza and his late father. The Collection is exceptional for its quality, value, diversity and state of conservation.
- II. The "Thyssen-Bornemisza Collection Trust" is the owner of all the paintings in the Collection.
- III. The paintings in the Collection are divided into four different categories: "A", "B+", "B-" and "C". All of the foregoing are in accordance with the lists held by the parties.
- IV. Both parties wish to enter into an agreement whereby category "A" and "B+" paintings which include the most significant paintings of the Collection be loaned to a Spanish Foundation for their maintenance and public exhibition for a period of up to ten years.

As a consequence of the foregoing and in order to establish the basis of their mutual understanding they execute this document in the following terms:

First.- The Spanish Government and Baron Thyssen-Bornemisza will create a new Private Cultural Foundation under Spanish law, domiciled in Madrid, to which the Spanish Government will provide rent-free (for the same parallel term of years as the loan mentioned in clause Three below) the use of the Villahermosa Palace and which will be endowed by the Spanish Government with sufficient capital for the refurbishment of the Palace and to provide all necessary financial resources to ensure the independence of the Foundation and to ensure that it is able to meet all its artistic and curatorial commitments.

ATTO: EILENN OFFORD

The object of the Foundation will be the exhibition and maintenance of the paintings loaned in accordance with the provisions of clause Three below. The Foundation shall preserve the international vocation and character of the Collection encouraging the periodical exhibition of part of its masterpieces outside Spain.

Baron Hans Heinrich Thyssen-Bornemisza shall be the Chairman of the Foundation's Council or Governing Body. He shall be substituted for and succeeded by his wife, the Baroness Carmen Thyssen-Bornemisza.

Second.- The refurbishment of the Villahermosa Palace shall be completed within eighteen (18) months, undertaken by the Foundation in cooperation with the Spanish Government and begin immediately after the establishment of the Foundation and the execution of the Loan Agreement mentioned in clause Three below. The approval of the Spanish Government will be required for both the Architectural Project and the final acceptance of the refurbishment.

? "L"
Third.- A Loan Agreement for a period of up to ten years shall be executed between the Foundation and the owners of the category "A" and "B+" paintings. The Foundation shall pay to the owners of the paintings as consideration for the loan an annual sum to be determined. Such annual sum will be used, in accordance with terms and conditions to be agreed, for the purchase by the Foundation of paintings of the Collection. The Loan Agreement will be conditional upon the completion and final acceptance of the refurbishment of the Villahermosa Palace.

Fourth.- In Accordance with the provisions of Article 32.1 of the Law on the Historical Patrimony of Spain (Ley del Patrimonio Historico Español), the loaned paintings shall not be declared, by action of the Spanish Government, to be of cultural interest during the ten-year term of the Loan. Therefore, the paintings shall be free to be exhibited abroad if so decided by the competent body of the Foundation.

Fifth.- It is the intention of the Spanish Government and Baron Thyssen that the Gallery in Lugano should continue to have an important role in the activities of the Collection. The existing arrangements between the Foundation established by Baron Thyssen in Barcelona and the town of Barcelona will also be fully respected and it is hoped that the relationship between the two Foundations will be developed to their mutual advantage.

Sixth.- It is contemplated that during the period of the loan, discussions take place to explore the possibility of achieving a longer term solution, either by way of transferrring ownership of some or all of the paintings to the Foundation or extending the loan for a second or further term if the initial lease arrangement works well for all concerned. In the event of such a solution being reached any payments or other compensation paid under the terms of the loan will be taken into account in any future financial arrangements between the parties.

Seventh.- In case of dissolution of the Foundation by the termination of the Loan Agreement or for any other reason, its net worth will revert, upon liquidation of the Foundation, to the Spanish State, and in such event the paintings will be free to leave Spain.

Eighth.- The parties will use their best endeavours to conclude a definitive agreement governing all important aspects of the Foundation Charter, the loan agreement and other relevant matters signed by all bodies affected by these arrangements within three months and also to establish the Spanish Private Cultural Foundation and execute the Loan Agreement of works of art and all related documents within that time.

In witness thereof, the parties sign this document, in duplicate originals, in the Spanish and English versions, both of equal validity, in the place and on the date indicated "ut supra".

The Minister of Culture

Baron Hans Heinrich Thyssen-Bornemisza

CANARY WHARF: LONDON DOCKLANDS

Canary Wharf, which lies alongside the River Thames immediately to the east of the city of London, is to be developed to provide a new business district. It will include 12.5 million sq ft of office and retail accommodation and hotel and leisure facilities and will be the world's largest single development.

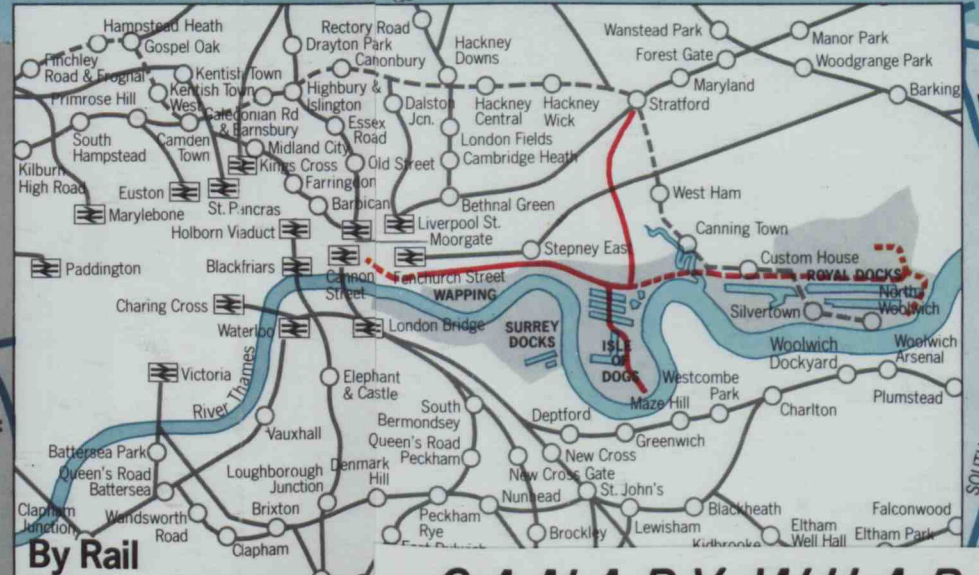
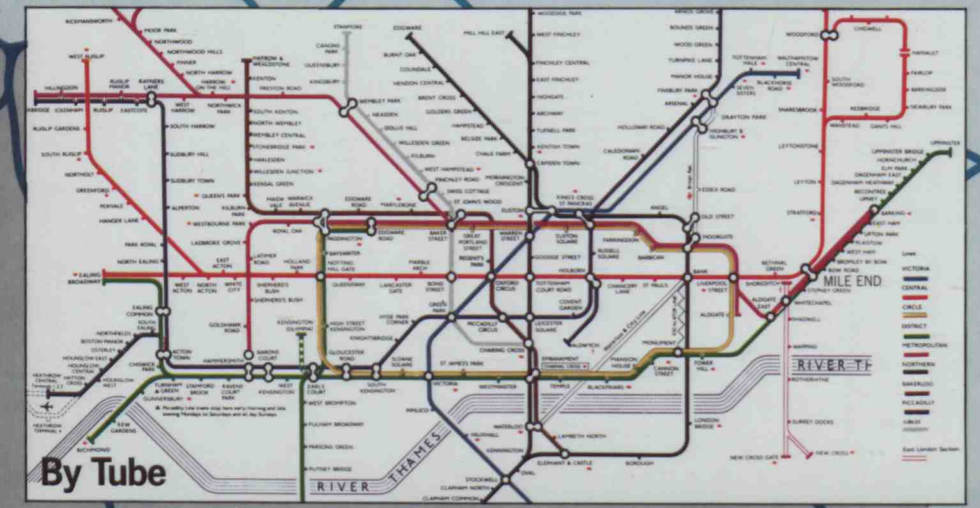
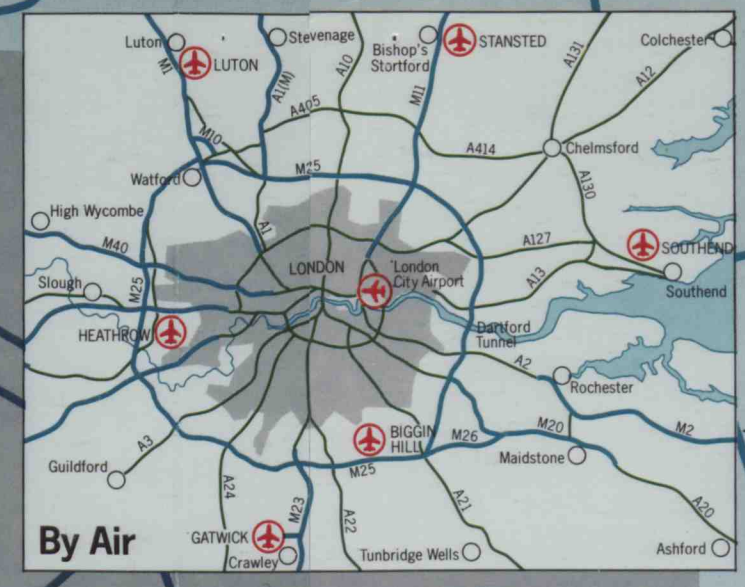
Two sites (1 and 2 on the enclosed plans) could be made available for the gallery. The first site lies on the proposed West Ferry Circus, on axis with the main approach to Canary Wharf, and enjoys views up river to the City. The second site lies on the waterfront to the south of West Ferry Circus. An indication of the proposed development of Canary Wharf is shown in the enclosed drawings.

The site will be served by the Docklands Light Railway which will provide access to Bank Station and the underground network and London City Airport which lies 2 miles to the east. The Docklands Highway, now under construction, will connect Dockland to Britain's motorway system. The proposed east London River crossing will connect to the A2 and, by 1993, the Channel Tunnel will complete motorway and rail links with Europe. Parking for 6,500 cars will be available within Canary Wharf. The new Thames Line Riverbus will link Canary Wharf with stations on the river from Chelsea to Greenwich. More than 20 million people live within one hour's travel time.

The construction of a gallery could be timed to coincide with the completion of the development of Canary Wharf in 1992.

LOCAL CONTEXT

- KEY**
- Major roads
 - Proposed major roads
 - Docklands Clipper D1 bus route
 - London Transport Underground stations
 - British Rail stations
 - Docklands Light Railway lines and stations under construction
 - Docklands Light Railway Stage 2 proposals
 - Proposed river services
 - Satellite stations
 - London City Airport



CANARY WHARF, DOCKLANDS

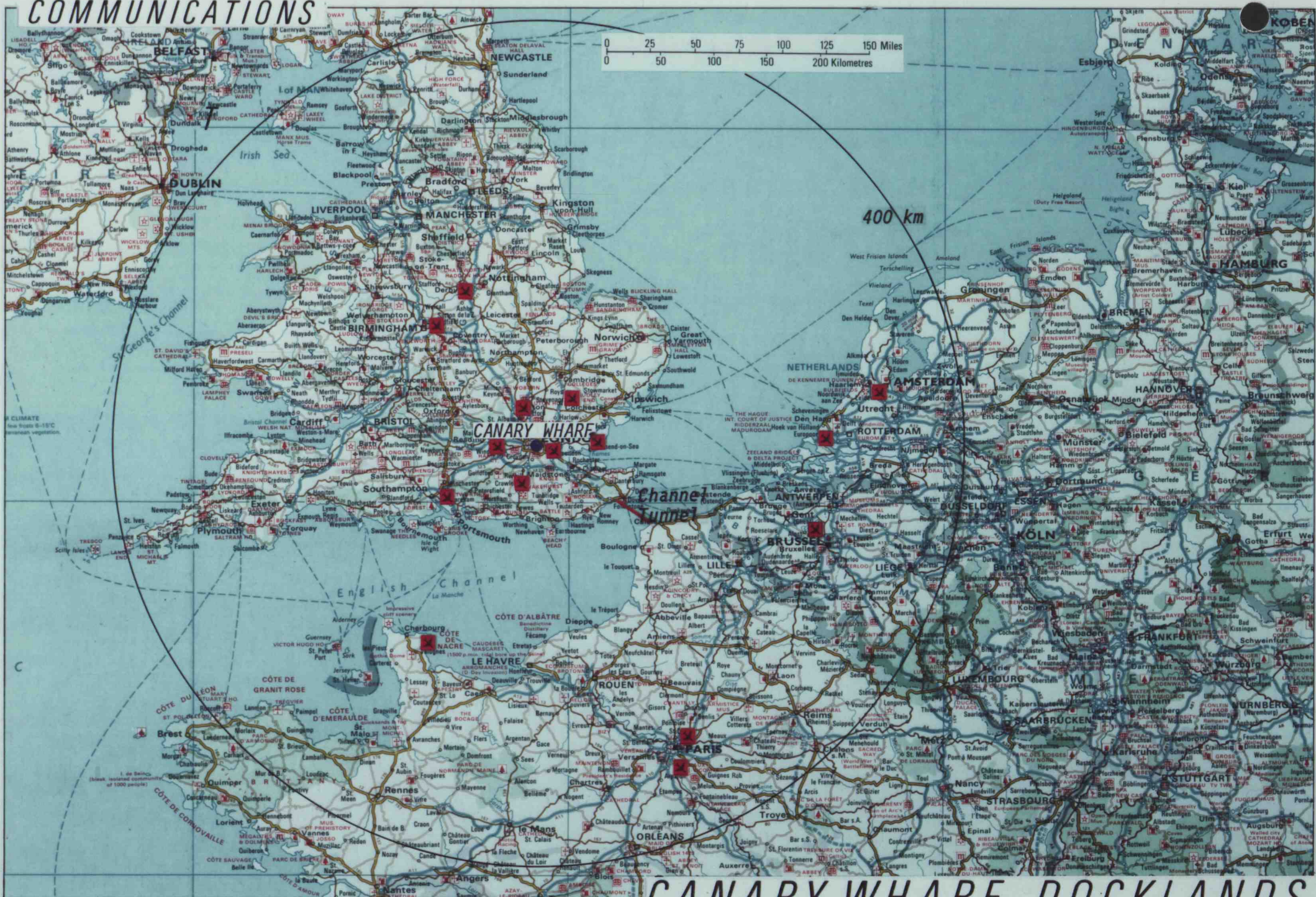
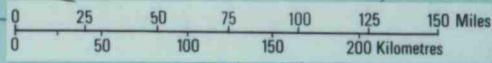
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CANARY WHARF, DOCKLANDS



A VIEW OF CANARY WHARF FROM ST. PAULS

COMMUNICATIONS



CANARY WHARF, DOCKLANDS

LOCAL CATCHMENT



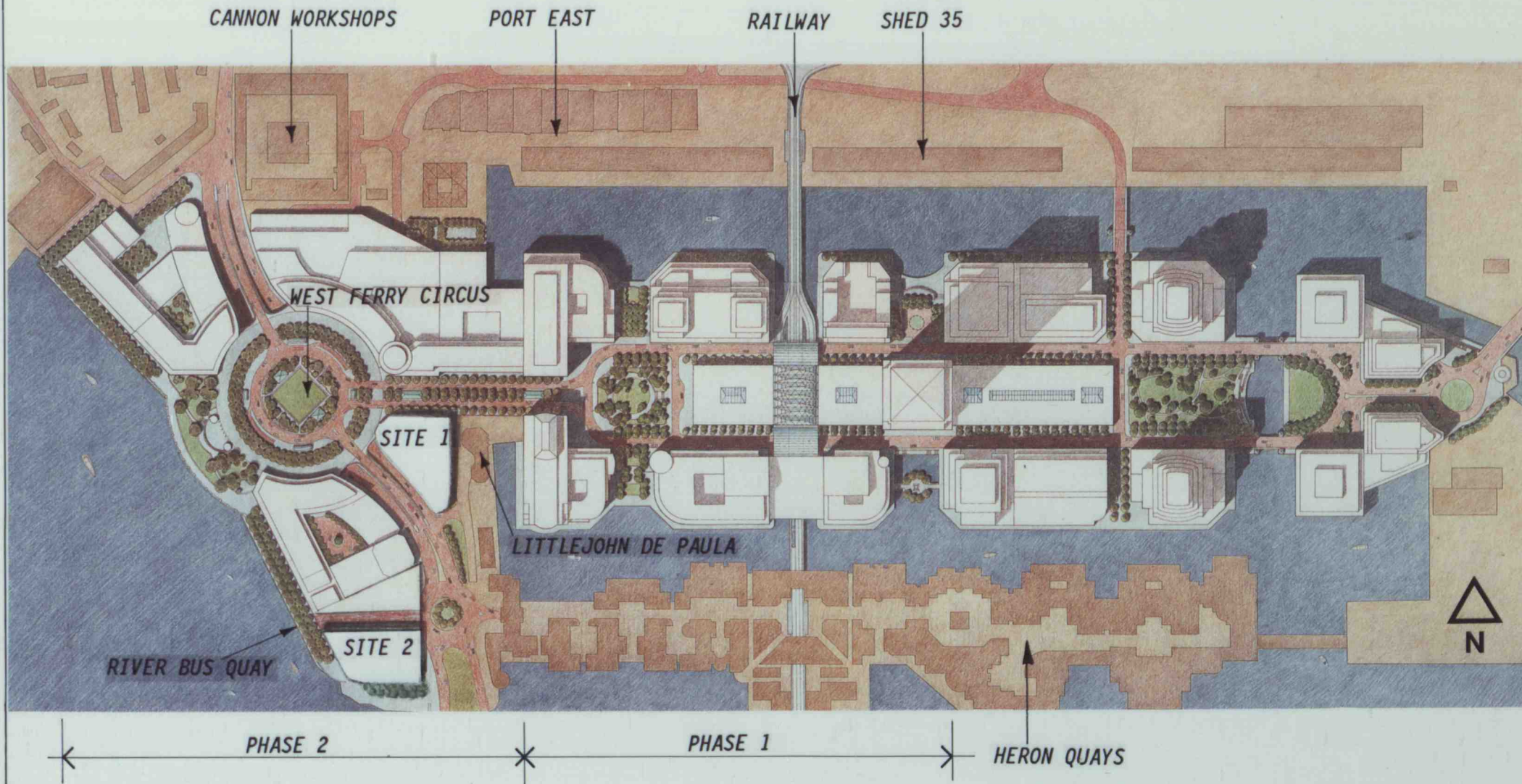
CANARY WHARF, DOCKLANDS

DOCKLANDS IMAGES



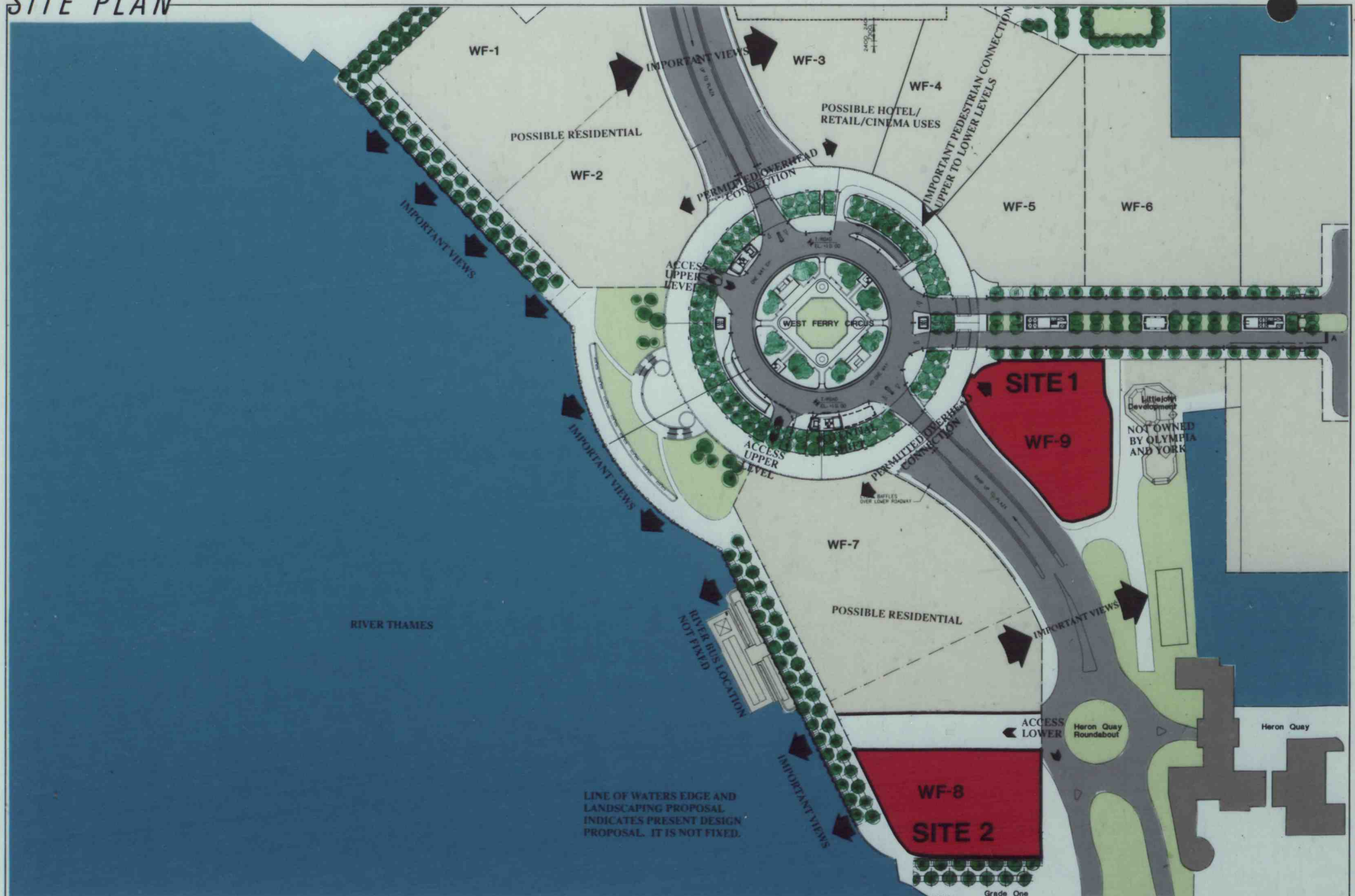
CANARY WHARF, DOCKLANDS

SITE ANALYSIS



CANARY WHARF, DOCKLANDS

SITE PLAN



CANARY WHARF, DOCKLANDS

AERIAL VIEWS SITE 1



CANARY WHARF, DOCKLANDS

AERIAL VIEWS SITE 2



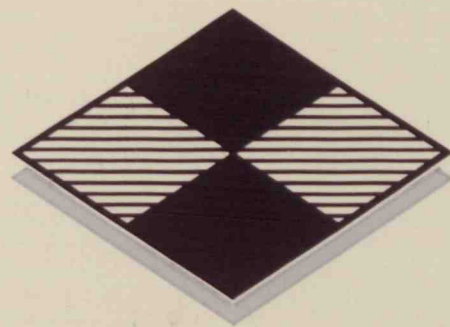
CANARY WHARF, DOCKLANDS

CENTENARY SQUARE: BIRMINGHAM

Birmingham is the second largest city in England with a population of more than 1 million. A site could be made available for the gallery in the city centre on the north side of Centenary Square. Major redevelopment of the square, now in progress, includes construction of an international convention centre, concert hall and hotel. Adjoining the square are the Central Television headquarters and Europe's largest municipal library. The site is illustrated in the drawings and photographs enclosed.

The site is close to the Birmingham inner ring road which links to the Aston Expressway and the M6 motorway. Parking will be available close to the square for 4,000 cars. New Street Station, which provides a direct rail link with London and other cities, is within 1 kilometre ($\frac{1}{2}$ mile). Birmingham International airport can be reached in 15 minutes. 7 Million people live within one hour's travel by road.

The convention centre is expected to be completed by 1991 and the construction of the gallery could follow on to complete the development of the square.



CENTENARY SQUARE

B I R M I N G H A M

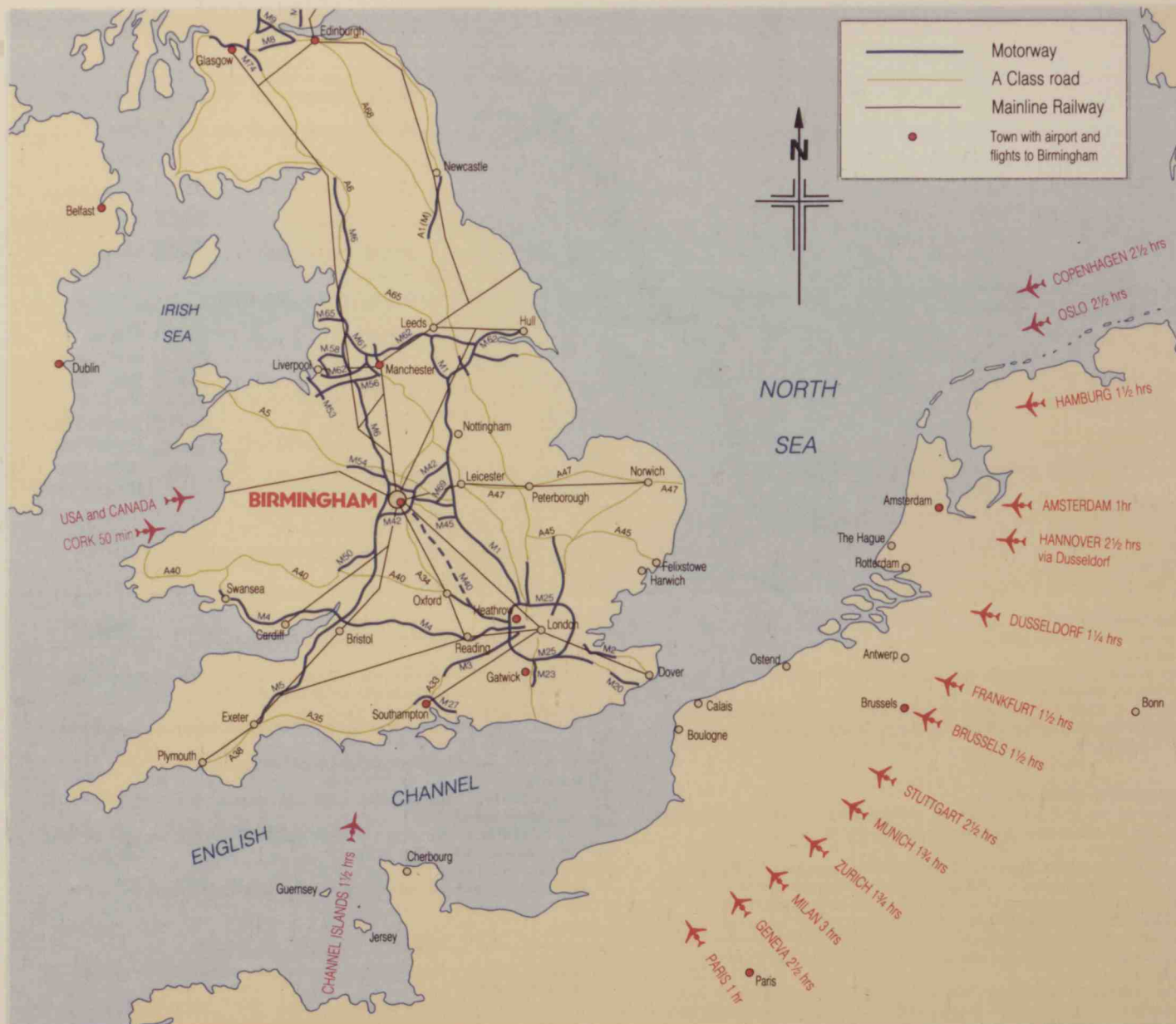


STRATEGIC LOCATION

JOURNEY TIMES TO BIRMINGHAM

AIR UK and Eire flights to Birmingham International Airport	RAIL to Birmingham New Street Station	ROAD Vehicles average speed 45 mph, via motorway
Getwick 50 min	London 1½ hrs	London 2¾ hrs Outskirts 100m
Heathrow 40 min	Reading 2 hrs	Heathrow 2½ hrs 115m
Southampton 40 min	Southampton 3 hrs	Southampton 2¾ hrs 130m
Cork 50 min	Bristol 1¼ hrs	Bristol 1¾ hrs 80m
Dublin 50 min	Cardiff 1¾ hrs	Cardiff 2¼ hrs 105m
Belfast 55 min	Liverpool 1½ hrs	Liverpool 2 hrs 95m
Manchester 30 min	Manchester 1½ hrs	Manchester 1¾ hrs 80m
Edinburgh 55 min	Leeds 2¼ hrs	Harwich 3½ hrs Felixstowe 150m
Glasgow 55 min	Glasgow 4½ hrs	Glasgow 6½ hrs 290m
Aberdeen 1¼ hrs	Newcastle 3½ hrs	Dover 3¾ hrs 175m

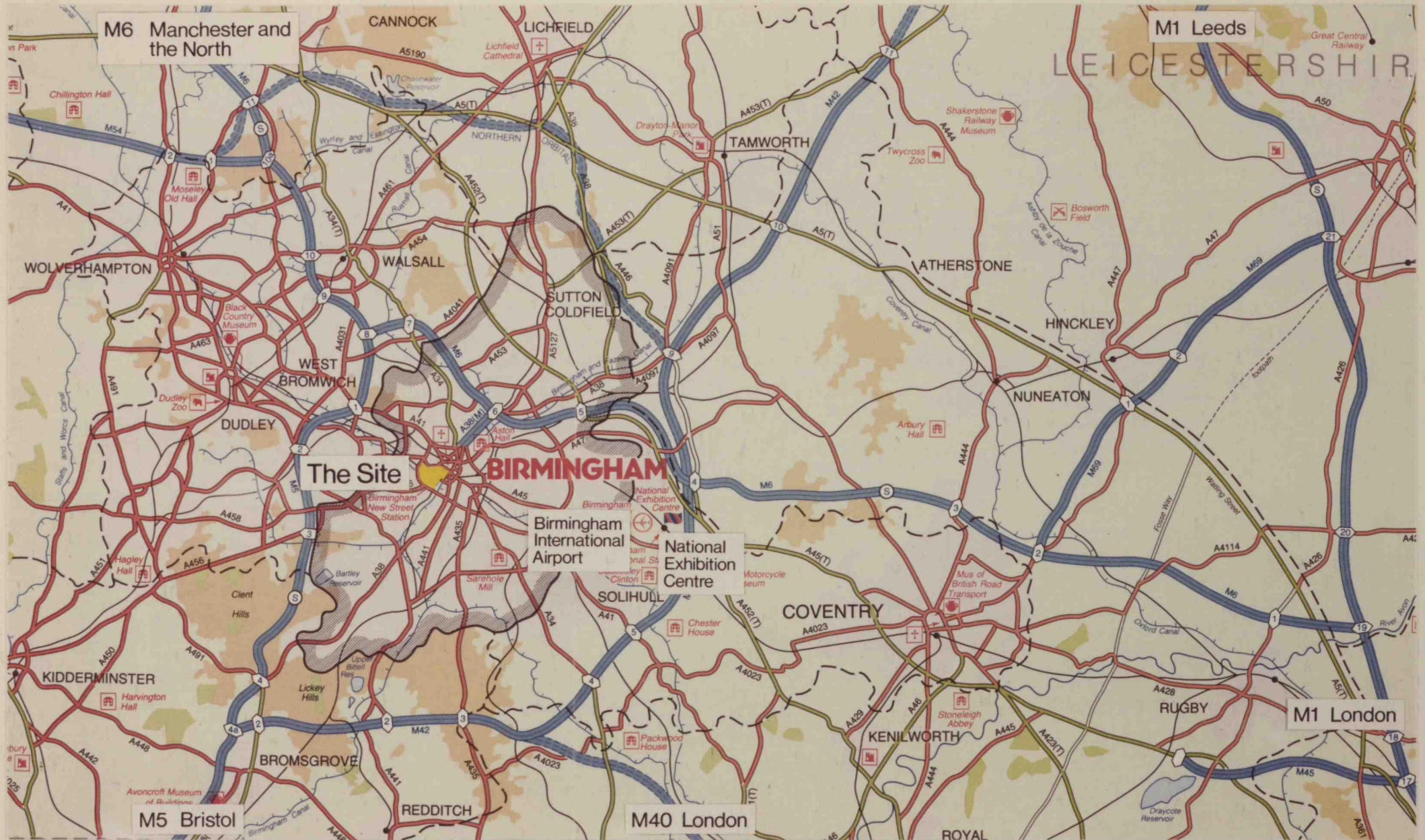
ACCESS BY RAIL



CENTENARY SQUARE

B I R M I N G H A M

REGIONAL LOCATION

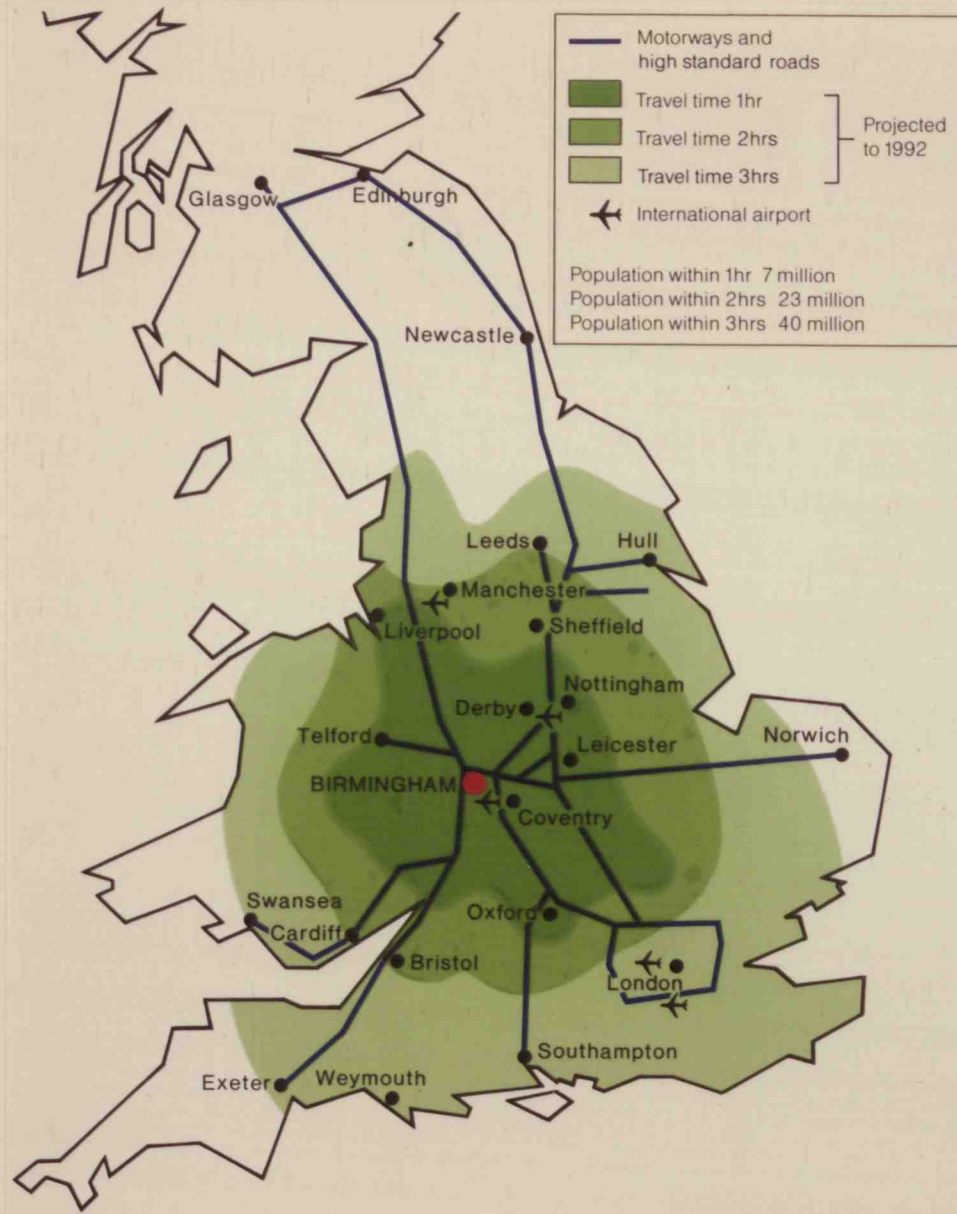


CENTENARY SQUARE

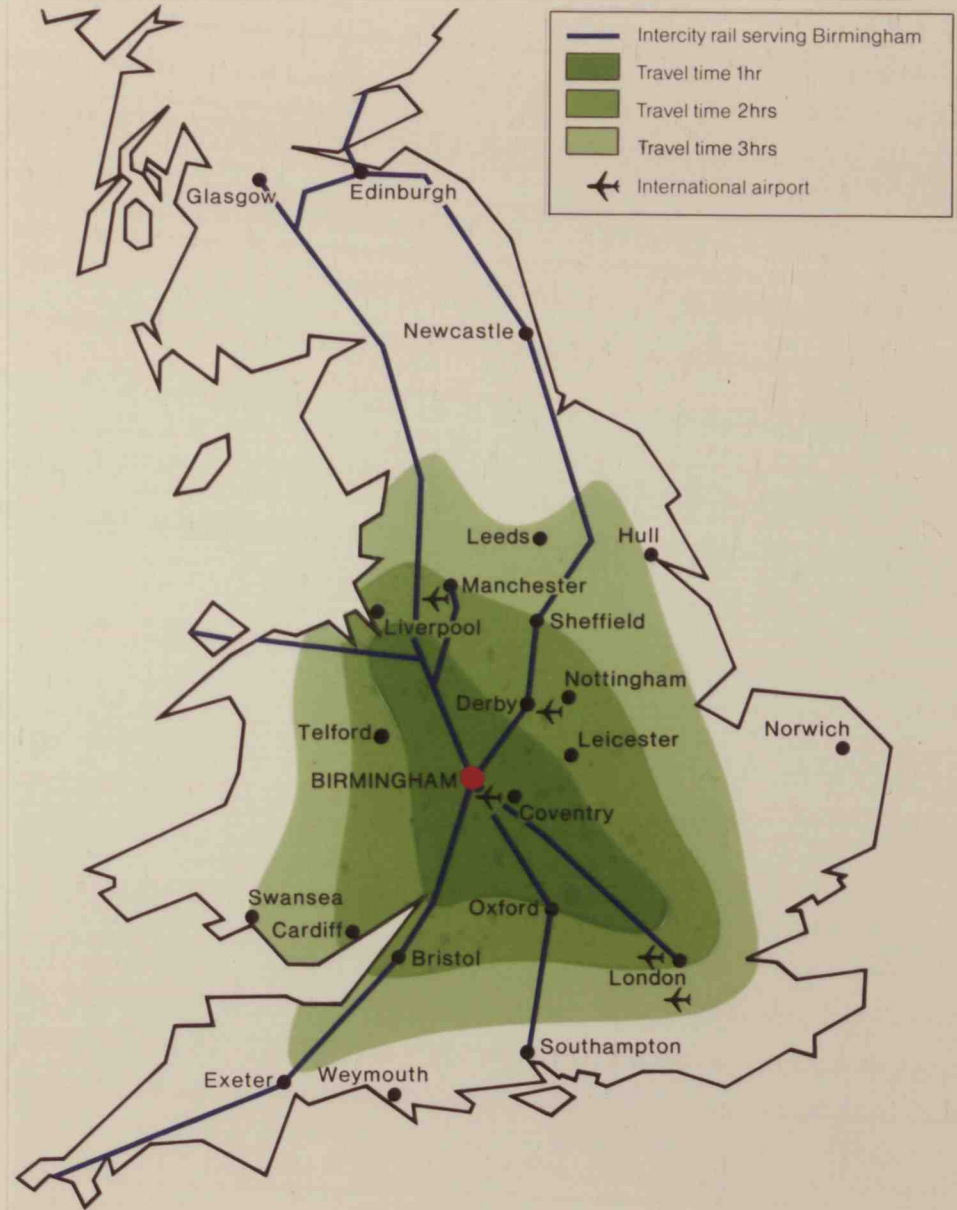
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CATCHMENT AREA

JOURNEY BY ROAD

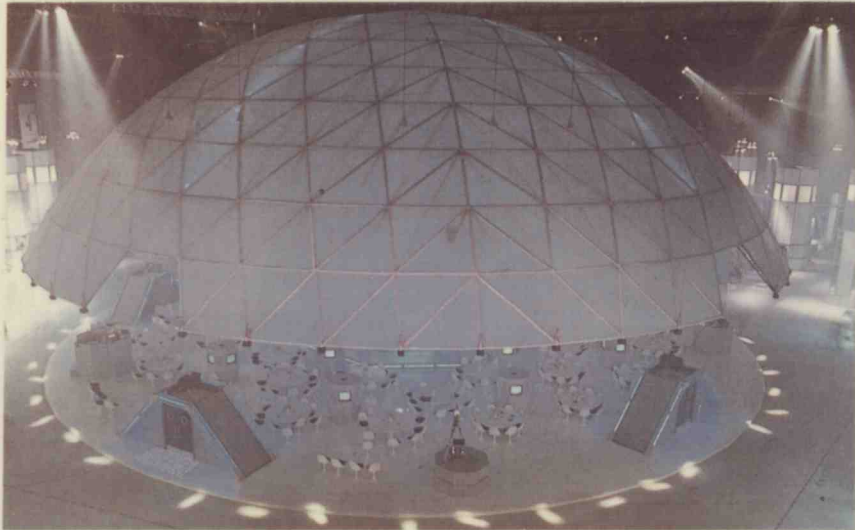


JOURNEY BY RAIL



CENTENARY SQUARE

B I R M I N G H A M



CENTENARY SQUARE

B I R M I N G H A M

SITE PLAN



CENTENARY SQUARE

B I R M I N G H A M

SITE PLAN



16

CENTENARY SQUARE

B I R M I N G H A M



View A

Aerial view of Centenary
Square showing site location

CENTENARY SQUARE
B I R M I N G H A M



View B

Centenary Square from the Central Library

CENTENARY SQUARE

B I R M I N G H A M



View D

Baskerville House and The Hall of Memory

CENTENARY SQUARE
B I R M I N G H A M



View F

Chamberlain Square from the Central Library

CENTENARY SQUARE
B I R M I N G H A M



Department of the Environment
Room
2 Marsham Street London SW1P 3EB
Telex 22221 Direct line 01-212
Switchboard 01-212 3434
GTN 212

CONFIDENTIAL

*For back up
files*

Sir Robin Butler KCB CVO
Cabinet Office
70 Whitehall
LONDON SW1A 2AS

9 May 1988

Dear Robin,

THE THYSSEN COLLECTION

Enclosed are 12 copies of papers describing the three possible sites for this gallery which form Annex B to the draft proposal. The text has been revised following our discussion on 5 May.

Copies go to Nigel Wicks (No.10) John Anson, Hayden Phillips and Tim Burr (Treasury) Richard Wilding and Rodney Stone (OAL) Catherine Pestell (FCO) John Collins and Penny Dayer (Treasury Solicitor).

Yours sincerely

Bryan

BRYAN JEFFERSON